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GENERAL ASSEMBLY
Forty-sixth session
Agenda items 12, 21, 43, 47, 60, 75, 78, 79, 80, 81, 82, 83, 89, 90, 91, 93, 95, 96, 98, 99, 130 and 145

SECURITY COUNCIL
Forty-sixth year

REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

CRITICAL ECONOMIC SITUATION IN AFRICA: (a) FINAL REVIEW AND APPRAISAL OF THE IMPLEMENTATION OF THE UNITED NATIONS PROGRAMME OF ACTION FOR AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT 1986-1990; (b) AFRICA'S COMMODITY PROBLEMS

LAUNCHING OF GLOBAL NEGOTIATIONS ON INTERNATIONAL ECONOMIC COOPERATION FOR DEVELOPMENT

REDUCTION OF MILITARY BUDGETS

GENERAL AND COMPLETE DISARMAMENT

QUESTIONS RELATING TO INFORMATION

UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

PROTECTION OF GLOBAL CLIMATE FOR PRESENT AND FUTURE GENERATIONS OF MANKIND

INTERNATIONAL COOPERATION FOR THE ERADICATION OF POVERTY IN DEVELOPING COUNTRIES

EXTERNAL DEBT CRISIS AND DEVELOPMENT

OPERATIONAL ACTIVITIES FOR DEVELOPMENT

INTERNATIONAL DECADE FOR NATURAL DISASTER REDUCTION

IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF THE ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES

INDUSTRIAL DEVELOPMENT COOPERATION AND THE DIVERSIFICATION AND MODERNIZATION OF PRODUCTIVE ACTIVITIES IN DEVELOPING COUNTRIES
EMERGENCY ASSISTANCE FOR THE ECONOMIC AND SOCIAL REHABILITATION OF LIBERIA
RIGHT OF PEOPLES TO SELF-DETERMINATION
ADVANCEMENT OF WOMEN
NARCOTIC DRUGS
HUMAN RIGHTS QUESTIONS
INFORMATION FROM NON-SELF-GOVERNING TERRITORIES TRANSMITTED UNDER ARTICLE 73 e OF THE CHARTER OF THE UNITED NATIONS
CONSIDERATION OF THE DRAFT ARTICLES ON THE STATUS OF THE DIPLOMATIC COURIER AND THE DIPLOMATIC BAG NOT ACCOMPANIED BY DIPLOMATIC COURIER AND OF THE DRAFT OPTIONAL PROTOCOLS THERETO
THE SITUATION OF DEMOCRACY AND HUMAN RIGHTS IN HAITI

Letter dated 23 October 1991 from the Permanent Representative of Chile to the United Nations addressed to the Secretary-General

On instructions from my Government, I have the honour to request you to arrange for the resolutions adopted by the 86th Conference of the Inter-Parliamentary Union, held at Santiago, Chile, from 7 to 12 October 1991, to be circulated as official documents of the General Assembly, under agenda items 12, 21, 43, 47, 60, 75, 78, 79, 80, 81, 82, 83, 89, 90, 91, 93, 95, 96, 98, 99, 130 and 145, and of the Security Council (see annex).

(Signed) Juan SOMAVIA
Ambassador
Permanent Representative

ANNEX

RESOLUTIONS ADOPTED BY THE
86TH CONFERENCE OF THE INTER-PARLIAMENTARY UNION

The Conference was held in Santiago (Chile) from 7 to 12 October 1991, with the participation of the following 95 parliamentary delegations, out of the 116 Parliaments represented in the Union:

Algeria, Angola, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Cameroon, Canada, Cape Verde, Central African Republic, Chile, China, Costa Rica, Côte d'Ivoire, Cuba, Cyprus, Czechoslovakia, Democratic People's Republic of Korea, Denmark, Djibouti, Ecuador, Egypt, El Salvador, Estonia, Finland, France, Gabon, Germany, Guatemala, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Israel, Italy, Japan, Jordan, Kuwait, Lao People's Democratic Republic, Latvia, Lebanon, Liberia, Libyan Arab Jamahiriya, Lithuania, Luxembourg, Malawi, Malaysia, Malta, Mexico, Mongolia, Morocco, Mozambique, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Republic of Korea, Romania, Rwanda, San Marino, Senegal, Singapore, Spain, Sweden, Switzerland, Syrian Arab Republic, Thailand, Tunisia, Turkey, Uganda, United Arab Emirates, United Kingdom, United Republic of Tanzania, Uruguay, USSR, Venezuela, Viet Nam, Yemen, Zambia, Zimbabwe.

The Andean Parliament and the European Parliament participated at the Conference as Associate Members of the Union.

86th INTER-PARLIAMENTARY CONFERENCE
(Santiago, Chile, 7 - 12 October 1991)

PARLIAMENTARY SUPPORT TO DEMOCRATIC INSTITUTIONS IN HAITI

(Resolution adopted unanimously)

The 86th Inter-Parliamentary Conference,

Filled with consternation by the coup d'Etat which took place in Haiti on 30 September 1991 and which overthrew the Head of State elected by the sovereign people in a free and fair vote, as attested to by the United Nations and many observers,

Reaffirming the attachment to democracy of the world inter-parliamentary community, which cannot accept such a takeover by force which runs counter to political developments in the world, especially in Latin America,

1. Condemns the coup d'Etat perpetrated on 30 September 1991 in Haiti;

2. Cannot accept the establishment of a pseudo legality under the threat of bayonets;

3. Demands the immediate re-establishment of the rule of law in Haiti and of the re-instatement of its legitimate President;

4. Welcomes the position taken in this respect by the Organization of American States, and supports resolution MRE/RES.1/91 adopted by the ad hoc session of the Foreign Affairs Ministers of the OAS member countries;

5. Urges all the world's Parliaments and their members to work resolutely and rapidly for the re-establishment of democracy in Haiti.

86th INTER-PARLIAMENTARY CONFERENCE
(Santiago, Chile, 7 - 12 October 1991)

HUMAN DEVELOPMENT: ECONOMIC GROWTH AND DEMOCRACY

THE ROLE OF PARLIAMENTS IN ENSURING THE NECESSARY LINKS BETWEEN FREEDOMS, CITIZEN INVOLVEMENT, ECONOMIC GROWTH, AND SOCIAL INVESTMENTS

(Resolution adopted without a vote)

The 86th Inter-Parliamentary Conference,

Bearing in mind the objective set forth in the United Nations Charter and the Universal Declaration of Human Rights of promoting and encouraging respect for human rights and fundamental freedoms for all, without distinction as to race, sex or religion,

Acknowledging that the basic objective of human development is to enlarge the range of peoples' choices, in particular with regard to access to income and employment opportunities, education, health and a clean and safe physical environment, in order to make development more democratic and participatory,

Recognizing that each individual should have the opportunity to participate fully in community decisions and to enjoy human, economic and political freedoms,

Acknowledging that access to information is a fundamental part of democratic development,

Recognizing that a healthy and safe environment is essential in order to ensure sustained growth and development for future generations and thus to avoid compromising their options,

Believing that the promotion and protection of all aspects of human rights encompassing economic, social and cultural rights as well as civil and political rights must go hand in hand with development efforts and focus on the development of human beings both as individuals and as members of society,

Recognizing that education, health and environment policies are major prerequisites for proper human development, and that citizenship education is an important responsibility of Parliaments,

Emphasizing that widespread illiteracy seriously hinders, especially in developing countries, the process of economic, social and political development and cultural and spiritual advancement,

Recognizing that the female population is particularly prey to underdevelopment and aggravated poverty throughout the world,

Further recognizing that adequate income-earning opportunities and properly directed public spending on human priority needs* are essential components of human development,

Concerned that although major steps are being taken by some countries to reduce nuclear armaments, military expenditure nevertheless consumes substantial amounts of the national budgets of many countries,

Recognizing that the reduction of military expenditure would permit the allocation of the resources released to development and economic planning,

Aware that the worsening economic and social effects of the population explosion in developing countries, the deterioration of international terms of trade for suppliers of natural resources and the enormous debt burden borne by the majority of developing countries will cause the gap between developed and developing countries to widen even more,

Reiterating that in an increasingly interdependent world, sustained economic development in developing countries is largely dependent on a favourable international economic environment, and interrelated with the economies of the developed countries,

Acknowledging that some donor and recipient countries are reluctant to undertake social expenditures which offer little immediate financial returns and demand recurring expenditure,

Recognizing the value of a global compact for human development which emphasizes the central importance of people and analyses each issue for its impact on people,

Reaffirming that human development, economic growth and democracy are inextricably linked and that human development can be best achieved by the promotion of more balanced economic growth and more participatory development,

Recalling that, while democracy is a universal principle, it is up to each country to devise its own structures to implement that principle in conformity with its respective cultural values, traditions and aspirations,

1. Calls on all countries to make a firm political commitment to human development and to undertake appropriate measures to redirect current spending to human development;

2. Recommends the implementation of a broad programme of action to mobilize and increase people's capabilities and investment opportunities, to diversify the economic base and to eliminate barriers to equal opportunity;

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* As defined by the United Nations Development Programme (UNDP)

3. Demands that specific targets and programmes be set to reduce the adult illiteracy rate with sufficient emphasis on female illiteracy to reduce significantly the current disparity between male and female illiteracy rates;

4. Calls for GNP statistics to take account of unpaid family work so that the various tasks undertaken for the family group may at last be recognized by society;

5. Strongly hopes that the economic and social status of women as an essential component of a successful strategy for human development will be improved and that all development policies will give priority to education, health care, family planning, improved diet, employment and advancement opportunities, and equal pay;

6. Calls on the Union to take part through all appropriate means in the activities of the "Special Health Fund for Africa" whose creation was recommended by the Inter-Parliamentary Conference on "Health - a Basis for Development in Africa" jointly organized by the IPU, WHO and the Union of African Parliament in Brazzaville in June-July 1988;

7. Urges all Governments and Parliaments to initiate or accelerate the necessary basic reforms in schools and in vocational training so as to enable all people to obtain qualifications suited to a modern economy;

8. Calls on all Parliaments to urge their respective Governments to introduce education programmes which ensure that citizens are aware of their democratic rights, their responsibilities and the need to participate in the democratic process;

9. Calls for more intensive co-operation between developed and developing countries as a means of dealing with the increasingly pressing problems of the deterioration of the global environment and the impoverishment of developing countries;

10. Calls on countries to take all appropriate measures to increase their productivity and competitiveness so as to open up opportunities worldwide;

11. Calls on Parliaments to examine the distribution of public and private spending on human development and to ensure that spending targets social and human needs;

12. Appeals to the Governments and Parliaments of the industrialized countries to improve market access for developing countries and to create new economic opportunities, particularly by finding a comprehensive and durable solution to the external debt problem of developing countries, inter alia by taking account of the need to reduce significantly interest on all types of debt;

13. Calls for the development of specific planning tools to analyse public spending on human development, and requests that Parliaments set up appropriate structures to monitor human development in their countries;

14. Recommends that Parliaments use the criteria established by the United Nations Development Programme to analyse public spending on human development;

15. Encourages all States, Governments, Parliaments and citizens to take stock of the inseparable links between the environment and the economy and to recognize that only responsible behaviour can preserve the environment and its natural resources;

16. Recommends that all Parliaments and Governments, in making their economic decisions, be urged to take firm action to protect the environment;

17. Calls on donor countries to meet the internationally agreed minimum target of 0.7 per cent of GNP for official development assistance and to ensure that a significant proportion of such aid is earmarked for human priority areas;

18. Calls for reassessment of the development aid allocated to technical assistance to ensure that funds are used to build up local institutions and mobilize national expertise;

19. Recommends reshaping of economic and political systems to further human development and the use of various strategies to balance political pressures, including approaches that encourage democratic freedom, promote common interests, compensate powerful groups, empower weaker groups, and co-ordinate external pressures;

20. Calls on Governments to facilitate access to information, in particular by developing an information network free from political influence;

21. Also calls on Governments to engage in a global dialogue for human development so that by the year 2000, all have access to primary education, primary health care, family planning and safe water, serious malnutrition is eliminated and opportunities for productive, remunerative and satisfying employment are expanded;

22. Further calls on countries with heavy military expenditures to redirect the resources involved to human development programmes;

23. Calls for a mutual commitment to human development in the field of official development assistance with donor countries reassessing their aid priorities and recipient countries realigning their expenditures so as to increase the human expenditure ratio;

24. Urges all countries to renew their commitment to a succesful conclusion of the Uruguay Round of multilateral trade negotiations within the GATT with a view to a balanced outcome that takes account of the interests of all parties, particularly the developing countries.

86th INTER-PARLIAMENTARY CONFERENCE
(Santiago, Chile, 7 - 12 October 1991)

DEVELOPMENT OF MEASURES TO PREVENT AND INTERVENE AGAINST GENOCIDE THROUGH INTERNATIONAL CO-OPERATION WITHIN THE FRAMEWORK OF COMPETENT INTERNATIONAL BODIES SUCH AS THE UNITED NATIONS

(Resolution adopted without a vote)

The 86th Inter-Parliamentary Conference,

Recalling that under the Charter of the United Nations, member States have pledged themselves to take joint or separate action, in co-operation with the United Nations, for the achievement and promotion of universal respect for and observance of human rights and fundamental freedoms,

Reaffirming the principle laid down in the Universal Declaration of Human Rights, that recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,

Recalling United Nations General Assembly resolution 260 (III) adopted on 9 December 1948, which approved the Convention on the Prevention and Punishment of the Crime of Genocide and urged all countries to accede to the Convention,

Reaffirming that international humanitarian law obligates belligerents to offer protection to captured and sick combatants and civilians, who are entitled to respect for their life and their moral and physical integrity as provided for in the four Geneva Conventions of 1949 and their two Additional Protocols,

Noting with satisfaction that the Genocide Convention of 1948 as well as the four Geneva Conventions of 1949 have gained virtually universal acceptance,

Recognizing that genocide constitutes a crime against humanity under international law and a grave threat to international peace and security, and that persons committing genocide must be punished, whether they are constitutionally responsible rulers, public officials or private individuals, and noting the conclusions and recommendations of studies on the question of the prevention and punishment of the crime of genocide, conducted under the auspices of the United Nations Sub-Commission on Prevention of Discrimination and Protection of Minorities, calling for the urgent adoption of additional and more substantive measures against perpetrators of genocide,

Mindful that despite all undertakings, the twentieth century is replete with instances of genocide committed by States, constitutionally responsible rulers and public officials,

Gravely concerned that existing tensions and conflicts involving national, ethnic, racial, religious or cultural groups may constitute or give rise to the crime of genocide,

Recalling that the annexation of territories, forced displacement of populations, racial discrimination and apartheid may lead to genocide,

Concerned that existing measures are underutilized by the competent international organizations and are inadequate to effectively prevent or intervene against genocide,

Conscious that the absence of adequate enforcement mechanisms constitutes a failure by the international community to implement the principles and standards laid down in the Charter of the United Nations and in international human rights instruments,

Noting that, as a consequence, the crime of genocide has been punished only very rarely since the adoption of the Convention on the Prevention and Punishment of the Crime of Genocide,

Convinced that Parliaments can play an important role in the consolidation and expansion of measures to prevent genocide and of co-operation to free the world from this scourge,

Emphasizing the duty of the United Nations Security Council to take collective action with respect to acts of genocide and aggression, which constitute crimes against humanity and breaches of the peace, in order to prevent resort to unilateral intervention and violation of the political independence and territorial integrity of States,

Reiterating the importance of preventive measures, such as the establishment and support of impartial and authoritative human rights bodies, which can call the attention of the international community to situations likely to lead to genocidal actions,

Pointing out that the crime of genocide cannot be prevented without extensive international co-operation between bodies and organizations working in the field of human rights,

1. Vigorously condemns the crime of genocide, and recalls that it constitutes a crime under international law, whether committed in time of peace or of war;

2. Emphasizes that the elimination of the crime of genocide requires all countries to adopt open political systems based on respect for human rights and fundamental freedoms;

3. Urges States that have not yet done so to accede to or ratify the Convention;

4. Expresses its conviction that, in order to eliminate genocide, it is essential that all countries implement the Convention on the Prevention and Punishment of the Crime of Genocide;

5. Calls on the United Nations to take all appropriate measures, in particular the establishment of an international early warning system, to prevent genocide and intervene in any situation likely to lead to genocide;

6. Emphasizes that the principle of non-interference in matters which are essentially within the jurisdiction of States must not prevent the United Nations from taking measures to ensure respect for fundamental human rights principles and the prevention and punishment of the crime of genocide;

7. Recommends that, to prevent any violation of the territorial integrity and political independence of States and to avoid the need to resort to unilateral humanitarian intervention by armed force because of the absence of other effective measures, the Security Council give serious consideration to the possibility of using United Nations peace-keeping forces, in conformity with the Charter, to prevent or intervene against massive and flagrant violations of human rights and fundamental freedoms, in particular the annexation of territories and forced displacements of populations, which are likely to lead to, or which constitute genocide and which threaten international peace and security;

8. Calls on the United Nations Commission on Human Rights to appoint a Special Rapporteur on Genocide to report annually - in his/her capacity as an independent expert - on progress made in the prevention and punishment of the crime of genocide;

9. Urges that the Convention on the Prevention and Punishment of the Crime of Genocide be amended to include cultural genocide, namely, all measures aimed at the extermination of the languages or dialects and cultures of any minority or people;

10. Also urges Member States parties to the Convention on the Prevention and Punishment of the Crime of Genocide to set up the international penal tribunal contemplated in Article VI in order to try and punish perpetrators of acts of genocide; such a tribunal should have compulsory jurisdiction over all offences if domestic remedies are exhausted or substantially ineffective;

11. Further urges Member States parties to the Convention on the Prevention and Punishment of the Crime of Genocide to request, in the spirit of Article VIII, the establishment of a committee on genocide whose function would be to receive petitions and to carry out investigations in connection with allegations of genocide, to seize the international tribunal and to take urgent steps to end genocide wherever it might be committed;

12. Calls for effective measures to be taken to protect the rights of minorities in all States, in keeping with the spirit of the work of the Commission on Human Rights on the Declaration of the Rights of Persons belonging to National, Ethnic, Religious or Linguistic Minorities;

13. Also calls for the co-ordination of efforts to establish or re-establish the legitimate rights of all oppressed peoples of the world and for an end to all repressive practices to which they are subjected;

14. Reiterates that all sovereign States, pursuant to their Constitutions, should enact the necessary legislation for the implementation of the provisions of the Convention on the Prevention and Punishment of the Crime of Genocide;

15. Stresses the need for the prompt completion of the draft international code of offences against the peace and security of mankind;

16. Calls on all Inter-Parliamentary Groups to bring the proposed measures to the attention of their respective Governments and to exchange information and experience concerning measures taken to facilitate international co-operation in that sphere;

17. Requests the Secretary General of the Inter-Parliamentary Union to transmit this resolution to the Secretary-General of the United Nations and to discuss with him the possibility of organizing international co-operation within the framework of the United Nations and other competent international bodies to develop these and other measures to prevent and intervene against the crime of genocide;

18. Also requests the Secretary General of the Inter-Parliamentary Union to report to the Inter-Parliamentary Council on his consultations with the Secretary-General of the United Nations at the next Inter-Parliamentary Conference.

86th INTER-PARLIAMENTARY CONFERENCE
(Santiago, Chile, 7 - 12 October 1991)

THE ROLE OF PARLIAMENTS IN SUPPORTING EFFORTS TO ACHIEVE A GREATER LIBERALIZATION OF INTERNATIONAL TRADE, IN PARTICULAR THROUGH A SUCCESSFUL CONCLUSION TO THE URUGUAY ROUND

(Resolution adopted without a vote)

The 86th Inter-Parliamentary Conference,

Mindful of the essential contribution of international trade to the continued growth and development of the world economy as a whole, and its constituent countries individually, especially the developing nations,

Being aware both of the constraints on growth and development which can arise from various forms of protectionism, and of the opportunities which can be generated by trade liberalization despite some short-term problems, and recognizing the importance of maintaining a balanced social structure in all countries,

Convinced that the interests of the world community will best be served by an open, rules-based and comprehensive multilateral trading system,

Recalling that the only such system in existence is embodied in the General Agreement on Tariffs and Trade (GATT),

Recognizing that the debt-servicing capacity of developing countries depends on increasing their exports, not least agricultural products and services,

Further recognizing that the Uruguay Round of multilateral trade negotiations is the principal means available for improving and extending the GATT and significantly increasing trade liberalization,

Deeply concerned that the Uruguay Round was not concluded on schedule at the end of 1990, and that major differences remain in several key areas, including agriculture and services,

Conscious of the urgent need for planned progress in resolving these differences if the negotiations are to be concluded without further costly delay,

1. Invites Parliaments and Governments to recognize the damage to the multilateral trading system and the boost to protectionism which would ensue should the Uruguay Round be allowed to collapse;

2. Considers that an outcome to the Uruguay Round which creates a fairer and more liberal world trading environment will contribute significantly to the long-term prosperity and well-being of the consumers and producers of goods and services;

3. Calls on the Parliaments and Governments of countries participating in the Uruguay Round to facilitate the successful conclusion of these negotiations, and stresses the need to safeguard the interests of all parties in the adjustment process, while minimizing negative effects;

4. Urges those countries seeking to resolve particular differences in the negotiations to adopt a flexible approach to overcoming these obstacles, bearing in mind that all participants have an interest in a comprehensive and far-reaching outcome;

5. Asks all Parliaments and Governments to take into consideration the interests of developing countries, especially in the field of agricultural exports and the strengthening of their service sectors so as to participate fully in and derive advantage from the process of progressive liberalization, the phasing out of the MFA (Multi-Fibre Arrangement) and the phasing in of GATT disciplines, and the maintenance of the principle of "differential and more favourable treatment" for developing countries' exports;

6. Recommends that participants in the Uruguay Round endeavour to enhance the role and mechanisms of the GATT;

7. Invites all Parliaments and Governments to support the 8th Session of the United Nations Conference on Trade and Development (UNCTAD VIII) scheduled for February 1992 in Colombia so that it may achieve concrete results that will help to reactivate international trade and the world economy, particularly as concerns the developing countries;

8. Requests all Parliaments to support fully their countries' representatives in the GATT negotiations in their efforts to secure a successful and mutually beneficial outcome to the Uruguay Round, preferably before the end of 1991.

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25 October 1991
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LETTER DATED 24 OCTOBER 1991 FROM THE PERMANENT REPRESENTATIVE OF IRAQ TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

On instructions from my Government, I wish to inform you that the United States Air Force is continuing to violate Iraqi airspace, as follows:

I

1. On 22/23 October 1991, the United States Air Force continued its violations of Iraqi airspace for purposes of surveillance and provocation with 38 sorties flown by 14 two-aircraft formations, two four-aircraft formations and two single aircraft at speeds of 600 to 900 kilometres per hour and at altitudes of 3,500 to 17,000 metres.

2. The flights centred on Arbil, Mosul, Dohuk, Zakho and Amadiyah.

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1. On 23/24 October 1991, the United States Air Force continued its violations of Iraqi airspace for purposes of surveillance and provocation with 29 sorties flown by 12 two-aircraft formations, one four-aircraft formation and one single aircraft at speeds of 600 to 900 kilometres per hour and at altitudes of 2,000 to 5,000 metres.

2. The flights centred on Mosul, Dohuk, Arbil, Zakho, Amadiyah, Tall'afar and Ayn Zalah.

3. Two aircraft coming from the direction of Kuwait violated the Iraqi frontier to a distance of 12 to 15 kilometres at speeds of 480 to 600 kilometres per hour and at an altitude of 5,000 metres.

4. At 0645 hours on 23 October 1991, a formation consisting of two Tornadoes broke the sound barrier over Faruq airfield, causing some damage (broken glass, doors blown out). At 0800 hours on the same day, another formation again overflew the same airfield at an altitude of 20 metres and at a speed of 800 kilometres per hour. At 0750 hours, a formation of F-111s overflew Firnas

airfield at an altitude of 50 metres and at a speed of 700 kilometres per hour.

I should be grateful if you would have this letter circulated as a document of the Security Council.

(Signed) Abdul Amir A. AL-ANBARI
Ambassador
Permanent Representative

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25 October 1991
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ORIGINAL: ARABIC

LETTER DATED 25 OCTOBER 1991 FROM THE PERMANENT
REPRESENTATIVE OF IRAQ TO THE UNITED NATIONS
ADDRESSED TO THE SECRETARY-GENERAL

On instructions from my Government, I transmit herewith a quotation from the official minutes of the talks that took place on 5 October 1991 in Baghdad between Mr. Tariq Aziz, Deputy Prime Minister, and Mr. Ekéus, Chairman of the Special Commission. The minutes were drafted in original Arabic and English and represent accurately and fully what the Deputy Prime Minister said to Mr. Ekéus concerning Iraqi research in the scientific and technological fields.

I should be grateful if you would have this letter and its annex circulated as a document of the Security Council.

(Signed) Abdul Amir A. AL-ANBARI
Ambassador
Permanent Representative

Annex

Quotation from the official minutes of the talks that took place in Baghdad on 5 October 1991 between Mr. Tariq Aziz, Deputy Prime Minister, and Mr. Ekéus, Chairman of the Special Commission

The Deputy Prime Minister spoke as follows:

"Twenty-three years have elapsed since the commencement of our experience in power, and we know the dangers arising from transforming an Arab State and bringing it to the nuclear-weapon-manufacturing stage. We know that this is not permitted for Arabs.

"Yes, we have had much research done in the area of science and technology, but knowledge is one thing and going beyond knowledge to the stage of weapon-building is another thing. They are accusing Iraq of spending billions of dollars on research and know-how. Following the great rise in oil prices in the mid-1970s, Iraq became a rich State and directed its wealth and its financial surplus to research and the construction of an advanced scientific and technological base that would contribute to the building of our country and raise the standard of living for our people. We did [that] instead of spending our money on buying palaces, yachts and other luxuries, as [President] Bush's friends do. We spent our surplus money on building an industrial base and advanced infrastructures for the future, not on building up a nuclear industry. Accordingly, the construction of this advanced base has borne fruit in the restoration of the bridges, refineries, electric power plants and communications centres destroyed by the aggression."

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REPORT OF THE SECRETARY-GENERAL PURSUANT TO PARAGRAPH 3 OF SECURITY COUNCIL RESOLUTION 713 (1991)

INTRODUCTION

1. The present report responds to paragraph 3 of Security Council resolution 713 (1991) of 25 September 1991.

2. It will be recalled that resolution 713 (1991), which was adopted unanimously, reads, in its operative section, as follows:

> "The Security Council,
>
> ...
>
> "1. Expresses its full support for the collective efforts for peace and dialogue in Yugoslavia undertaken under the auspices of the member States of the European Community with the support of the States participating in the Conference on Security and Cooperation in Europe consistent with the principles of that Conference;
>
> "2. Supports fully all arrangements and measures resulting from such collective efforts as those described above, in particular of assistance and support to the cease-fire observers, to consolidate an effective end to hostilities in Yugoslavia and the smooth functioning of the process instituted within the framework of the Conference on Yugoslavia;
>
> "3. Invites to this end the Secretary-General to offer his assistance without delay, in consultation with the Government of Yugoslavia and all those promoting the efforts referred to above, and to report as soon as possible to the Security Council;
>
> "4. Strongly urges all parties to abide strictly by the cease-fire agreements of 17 September 1991 and 22 September 1991;

"5. Appeals urgently to and encourages all parties to settle their disputes peacefully and through negotiation at the Conference on Yugoslavia, including through the mechanisms set forth within it;

"6. Decides, under Chapter VII of the Charter of the United Nations, that all States shall, for the purposes of establishing peace and stability in Yugoslavia, immediately implement a general and complete embargo on all deliveries of weapons and military equipment to Yugoslavia until the Security Council decides otherwise following consultation between the Secretary-General and the Government of Yugoslavia;

"7. Calls upon all States to refrain from any action which might contribute to increasing tension and to impeding or delaying a peaceful and negotiated outcome to the conflict in Yugoslavia, which would permit all Yugoslavs to decide upon and to construct their future in peace;

"8. Decides to remain seized of the matter until a peaceful solution is achieved."

3. Upon the adoption of resolution 713 (1991), I transmitted its text to all States.

4. Immediately thereafter I established contact with Lord Carrington, Chairman of the Peace Conference on Yugoslavia that has been meeting at The Hague under the auspices of the States members of the European Community (EC). As indicated in the preambular part of resolution 713 (1991), the Community's efforts had been undertaken in conformity with Chapter VIII of the Charter of the United Nations. In addition, profiting from their presence in New York in connection with the ongoing forty-sixth session of the General Assembly, I undertook a series of contacts with senior officials of a number of Member States. These included the Secretary for Foreign Affairs of the Socialist Federal Republic of Yugoslavia, H.E. Mr. Budimir Loncar; the Minister for Foreign Affairs of the Kingdom of the Netherlands, H.E. Mr. Hans van den Broek, in his capacity as current President of the Council of Ministers of the European Community; and the Vice Chancellor and Minister for Foreign Affairs of the Federal Republic of Germany, H.E. Mr. Hans-Dietrich Genscher, who includes at present among his international responsibilities the Chair of the States participating in the Conference on Security and Cooperation in Europe. I met with senior governmental officials of each of the States bordering Yugoslavia. The subject arose also in conversations that I had with senior representatives of a number of other Member States and in particular during the course of an exchange which I had on 27 September 1991 with the Ministers for Foreign Affairs of the five permanent members of the Security Council. On 29 September, I received a visit in his private capacity from the President of the Federal Presidency of the Socialist Federal Republic of Yugoslavia, Mr. Stjepan Mesic. Members of my staff maintained contact with other concerned parties.

5. On 8 October 1991, I announced that I had asked the Honourable Cyrus R. Vance to assist me, as my Personal Envoy, in the discharge of the responsibilities that had been entrusted to me under paragraph 3 of resolution

713 (1991) and that Mr. Vance had agreed to do so. This was after I had issued a public appeal on 2 October calling upon all parties in Yugoslavia to reduce the hostilities and to help the efforts of EC and of Lord Carrington, Chairman of the Conference on Yugoslavia. Later, I requested Mr. Vance to undertake a mission to Yugoslavia and to attend, at the invitation of Lord Carrington, sessions of the Conference on Yugoslavia at The Hague and indeed in general to pursue the contacts that I had already undertaken. On 11 October I briefed the members of the Security Council on these and on other developments. I am deeply grateful to Mr. Vance for the promptness with which he agreed to undertake the present mission and also for the thorough, patient and expert manner in which he and the members of his party carried it out. He has brought out the views of all sides to the dispute. The outcome of Mr. Vance's mission has been highly valuable to me and I am certain that it will also be to the Council.

I. THE VANCE MISSION

6. Mr. Vance undertook his mission in a period of one week, from 11 to 18 October 1991. His purpose was to provide me with a first-hand assessment of the situation. Mr. Vance was accompanied by Ambassador Herbert S. Okun as Special Adviser; by Mr. J. P. Kavanagh, Senior Officer in my Cabinet, and by Mr. H. Heitmann, Political Affairs Officer in the Office for Research and the Collection of Information. Mr. Vance has asked that the present report reflect his appreciation for the high professionalism demonstrated by these officials and their colleagues in the course of a demanding mission. In Yugoslavia, Mr. Vance met the President and all other members of the collective Presidency of the Socialist Federal Republic of Yugoslavia, as well as the Prime Minister and the Federal Secretaries for National Defence and Foreign Affairs. Visiting all six republics that comprise the Socialist Federal Republic of Yugoslavia, he met the Presidents and senior officials of each republic. At The Hague, Mr. Vance attended two plenary sessions of the Conference on Yugoslavia and conferred with the current President of the Council of Ministers of EC. At Bonn, he conferred with the current Chairman of the States participating in the Conference on Security and Cooperation in Europe (CSCE). The complete programme of Mr. Vance's mission and the full composition of the party that accompanied him are set out in annex I to the present report.

7. This is not the place for a historical description of the events that have brought Yugoslavia to its present pass. In any event, I am certain that such events were taken into account by the Security Council members when they considered and adopted resolution 713 (1991).

A. Situation on the ground

8. The current situation in regard to Yugoslavia is not only very serious, but in addition it is in a constant state of flux and change, as regards both the political discussions under way and the situation on the ground. Earlier fighting in Slovenia having abated and died out in July, heavy fighting has

since then persisted in Croatia, pitting on one side the Yugoslav National Army (JNA) and supplementary military units as well as irregular Serb forces against, on the other side, the territorial forces of the Republic of Croatia as well as Croatian irregulars. Civilian inhabited areas have persistently been subjected to direct fire, including from artillery and rocket batteries and indeed from armoured, naval and air units. Ports and military facilities have been blockaded, airspace has been closed and communications severely disrupted. There have, moreover, been forced evacuations of large and growing numbers of civilians from their homes, suggesting the existence of a desire in some quarters to alter the demographic composition of certain areas with a view to holding territorial advantage later on. The civilian population in affected areas has by the same token suffered, and continues to suffer, a tragically high rate of casualties despite numerous declared cease-fires.

9. On 4 October 1991, Minister van den Broek jointly chaired with Lord Carrington at The Hague a meeting that was attended by the Presidents, respectively, of Croatia and Serbia and by the Federal Secretary for National Defence. A statement, whose entire text is attached as annex II to the present report, was issued by Minister van den Broek at the conclusion of that meeting. It included the following passage:

> "We noted that the cease-fire is violated by all parties. Therefore, in parallel with the steps mentioned above to further the process of reaching a political solution, it was agreed that the parties concerned would seek to reduce tension and create a more favourable environment for the negotiations by:
>
> "(a) On the part of the Croatian authorities, lifting immediately the blockade of JNA garrisons and other facilities (see appendix);
>
> "(b) On the part of JNA, relocating and regrouping its units in Croatia with the assistance of EC monitors."

10. At a further meeting in The Hague on 10 October 1991, chaired by Minister van den Broek and attended by the Presidents of Croatia and of Serbia and by the Secretary for National Defence of the Socialist Federal Republic of Yugoslavia, there was further discussion of the details of a cease-fire, including the extent to which JNA units that evacuated the beleaguered garrisons and other JNA forces in Croatia would withdraw fully from that republic. Agreement was not reached on this subject, with the Federal Secretary for National Defence reserving his position pending instructions from the "rump" Presidency that has been in existence since 3 October 1991 (see para. 21 below). That Presidency subsequently ruled out the possibility of withdrawing JNA units from the "crisis areas" in the Republic of Croatia until an overall political settlement was agreed.

11. Despite these developments, on 18 October 1991 at The Hague, Minister van den Broek convened and chaired, in advance of the full plenary meeting of the Conference on Yugoslavia, a meeting attended by the full eight-member Socialist Federal Republic of Yugoslavia Presidency as well as

the Presidents of Croatia and of Serbia. Also present were Lord Carrington and Mr. Vance. As a result of that meeting, all of the participants from Yugoslavia signed the following text:

> "The collective Presidency of the Socialist Federal Republic of Yugoslavia and President Tudjman, in the presence of President Milosevic, agreed to give the following instructions to their respective forces immediately:
>
> - Immediate and unconditional cease-fire;
>
> - Immediate deblocking of all JNA barracks and installations in Croatia;
>
> - Evacuation of these JNA barracks and installations which were blocked as soon as possible directed towards evacuation out of Croatia according to a time schedule to be devised in the tripartite cease-fire working group in Zagreb."

A facsimile of the signed text is attached as annex III to the present report. It was subsequently confirmed that the relevant instructions were issued by the eight-member Socialist Federal Republic of Yugoslavia Presidency and by President Tudjman of the Republic of Croatia on the same day. Once again, however, fighting has continued. The net result is that, despite the great energy and acumen that has been applied to the situation by EC, none of the 10 cease-fire accords agreed over the past three months has been implemented in full by the forces on the ground.

12. At Zagreb, Mr. Vance was briefed by Ambassador B. J. van Houten, Head of the Monitor Mission that was established by the States members of EC with the cooperation of the Yugoslav authorities and with the support of the States participating in the CSCE process.

(a) The Mission's functioning in Croatia is governed by memoranda of understanding of 13 July and 1 September respectively between EC and its member States, the government of the Republic of Croatia, as well as the Federal Executive Council of the Socialist Federal Republic of Yugoslavia (i.e., the central Government). These memoranda were extended sine die at The Hague on 14 October 1991. In Croatia, the Mission is mandated, under the terms of the memoranda in question, to monitor and to help stabilize the cease-fire, and to monitor release and return of prisoners in cooperation with the International Committee of the Red Cross (ICRC);

(b) The Mission's functioning in Bosnia-Hercegovina meanwhile is governed by an open-ended memorandum of understanding of 1 October 1991 between EC and its member States, the Republic of Bosnia-Hercegovina and the Federal Executive Council. In Bosnia-Hercegovina, the Mission is mandated, under the terms of the above-mentioned memorandum, to assist in maintaining peace and stability and preventing the occurrence of possible conflict within that republic. In the event of conflicts none the less occurring in

Bosnia-Hercegovina, the Mission is mandated to assist in establishing the facts in order to avoid further deterioration;

(c) A Protocol was signed on 4 October 1991 by EC and its member States and by the Government of Hungary concerning the Mission's activities in that country. In regard to Hungary, monitor teams of the Mission are authorized, inter alia, to enter into and transit with equipment by road and by air through specific areas of Hungarian territory in the performance of their duties;

(d) An earlier memorandum of understanding between EC and its member States and the Republic of Slovenia has lapsed and the Mission's activities in that republic have been reduced to a liaison presence.

In the conversations that Mr. Vance had in Yugoslavia, the Presidents of almost all of the Yugoslav republics expressed their support for, and appreciation of, the work of the Monitor Mission. A number of Presidents would see value in an expansion of the Mission's size.

13. The Monitor Mission is not a military operation, although some of its members have a military background. Some indeed have had valuable prior relevant experience with well-established United Nations peace-keeping operations. The Mission is made up of personnel from all 12 States members of EC and from four other States participants in the CSCE process, viz., Canada, Czechoslovakia, Poland and Sweden. As of 17 October, the Mission comprised a total of 224 personnel, of which 120 were monitors, the rest acting in support roles. Its members are unarmed. The Head of Mission reports regularly to the EC Presidency at The Hague concerning the work of the Mission and that Presidency keeps EC member States and the CSCE participating States informed accordingly.

14. The Head of the Monitor Mission informed Mr. Vance that, within the capacities imposed by a dangerous situation on the ground and by its own limited numbers, the Mission sought to serve as a channel of communication between opposing forces, to assist in organizing cease-fire arrangements and certain humanitarian steps, such as exchanges of prisoners, and to serve as a reliable source of objective information. Ambassador van Houten emphasized to Mr. Vance the unique nature of the present undertaking, from the point of view of EC and its member States and of the States participating in the CSCE process. The Head of Mission explained also that the number of Mission personnel could only be expanded in tandem with the timely delivery of equipment, including transport vehicles and communications items. In response to questions posed by Mr. Vance, the Head of Mission indicated that he was under-supplied in respect of the Mission's transportation and communications needs. Since Mr. Vance's return from Yugoslavia, the Mission has discontinued the use of its four helicopters, owing to security considerations.

B. Humanitarian situation

15. The unabated fighting, especially in eastern Croatia and on the Dalmatian coast, has gravely disrupted the living conditions of the civilian population in these areas. The most serious humanitarian problem caused by the fighting, aside from direct casualties and the destruction of housing and various infrastructural facilities, is the alarming growth in the number of displaced persons within Yugoslavia. Present indications are that the total number of internally displaced persons is approximately 300,000 while, according to the most recent estimates of ICRC, that number is capable of increasing to at least 400,000 towards the end of 1991. Observers on the ground expect that in the coming weeks the number of forcibly displaced persons, primarily those moving from the Dalmatian coast towards the north and from the crisis areas in eastern Croatia, will increase significantly, if a lasting cease-fire does not take effect.

16. To date, the majority of the internally displaced persons have been given shelter by relatives and friends who were able to extend their help and sympathy on a temporary basis. However, given the expected rise in the rate of displacement, it is unlikely that this kind of short-term assistance can be sustained. Indeed, continued violence and deteriorating economic conditions may, before long, call for the establishment of bigger reception centres than those already in existence, and even of less transitory facilities.

17. As regards refugees who have fled Yugoslavia to other countries, the growing number leaving the battle areas, in particular the Slavonia region in eastern Croatia, is a matter of particular concern. At the request of the Government of Hungary, the Office of the United Nations High Commissioner for Refugees is already in the process of bringing assistance to refugees who have been arriving in Hungary from Yugoslavia, and who at present number some 35,000 persons. Italy has granted temporary asylum status to 5,000 Yugoslavs. Austria has reported that it has granted temporary asylum to 6,000-8,000 persons from Slovenia. UNHCR has been active in both Italy and Austria. The same factors that may be expected to result in increased internal displacement could also result in an increased flow of refugees towards the north, i.e. to Italy and Austria, and also towards Hungary, to the north-east. It is worthy of note that UNHCR has a long-standing programme and related infrastructure in Yugoslavia, in connection with nationals of third countries who have through the years sought refuge there.

18. Additional information on the humanitarian situation is set out in annex IV to the present report.

C. Economic aspects

19. Yugoslavia's economy had already been experiencing considerable difficulty prior to the outbreak of hostilities - owing to demands of an ambitious stabilization programme being pursued in the context of an evaporating federal consensus. The growing hostilities have exacerbated the

problems and the economy is as a result now in a rapid downward spiral. Production in all sectors has fallen off dramatically, fiscal policy has collapsed, inflation has accelerated greatly, the financial system has split apart, the infrastructure of communications has been severely disrupted and trade and remittances from overseas have declined precipitously.

20. The need to come to grips with the grave economic situation was highlighted at the outset of Mr. Vance's mission by the Prime Minister of Yugoslavia. He and many of the senior officials with whom Mr. Vance conferred, including the Presidents of most of the Yugoslav republics, lamented the seemingly low priority being given on all sides to this apsect of the crisis. The full seriousness of the situation is reflected in annex V to the present report.

D. Political aspects

21. On the political side, Mr. Vance's mission had been preceded in the period immediately beforehand by two major developments. First, on 3 October, four members of the full eight-member Socialist Federal Republic of Yugoslavia Presidency, citing provisions of the federal constitution, decided, in the absence of the other four members of the Presidency, but in the presence of the Federal Secretary for National Defence and other senior military officers, upon the manner in which the business of the Presidency would henceforth be conducted. This decision on the part of a "rump" Presidency was rejected by the four members of the Presidency who were absent at the time. Second, on 4 October, in the context of The Hague Conference on Yugoslavia, Minister van den Broek announced an agreement between the President of the Republic of Serbia, the President of the Republic of Croatia and the Federal Secretary of the Socialist Federal Republic of Yugoslavia for National Defence, as part of a "twin track approach", that included the following passage:

> "It was agreed that the involvement of all parties concerned would be necessary to formulate a political solution on the basis of the perspective of recognition of the independence of those republics wishing it, at the end of the negotiating process conducted in good faith. The recognition would be granted in the framework of a general settlement, and have the following components:
>
> "(a) A loose association or alliance of sovereign or independent republics;
>
> "(b) Adequate arrangements to be made for the protection of minorities, including human rights guarantees and possible special status for certain areas;
>
> "(c) No unilateral changes in borders."

As indicated in paragraph 9 above, the full text of Minister van den Broek's statement is contained in annex II to the present report. Subsequent comments made by the President of the Republic of Serbia on this subject are reflected in paragraph 27 below.

22. Building upon the three components mentioned above, the Chairman of the Conference on Yugoslavia presented a draft paper entitled "Arrangements for a General Settlement" to the plenary meeting of the Conference held on 18 October at The Hague, which meeting was attended by the Presidents of each of the six Yugoslav republics, by the eight members of the Socialist Federal Republic of Yugoslavia Presidency, by the Federal Prime Minister and the Federal Secretary for Foreign Affairs, and by Mr. Vance. The full text of the draft paper is attached as annex VI. Its opening section reads as follows:

"I. GENERAL

"1.1 The arrangements for a general settlement of the Yugoslav crisis will comprise the following components:

"(a) Sovereign and independent republics with international personality for those that wish it;

"(b) A free association of the republics with an international personality as envisaged in these arrangements;

"(c) Comprehensive arrangements, including supervisory mechanisms for the protection of human rights and special status for certain groups and areas;

"(d) European involvement where appropriate;

"(e) In the framework of a general settlement, recognition of the independence, within the existing borders, unless otherwise agreed, of those republics wishing it.

"1.2 The republics recognize that cooperation between them and the creation of this association is part of the process of building a new Europe envisaged in the Paris Charter of November 1990, and will improve the prospects for cooperation and closer relations with the European Community.

"They will cooperate in the fields for which these arrangements provide and other agreed fields, without thereby precluding closer forms of cooperation in such areas between republics that so wish."

23. On 18 October at The Hague Conference, the Presidents of five of the six republics expressed their general agreement, with certain qualifications, to work on the basis of that draft paper. The President of the Republic of Serbia expressed reservations on the paper, which he considered in its present

form as unsuitable for detailed discussion - while noting at the same time some strengths in the manner in which it approached the rights of ethnic and national groups. The federal Vice-President who has since 3 October been presiding over the "rump" Presidency also strongly criticized the Chairman's draft paper, because in his view it recognized the legality of unilateral secession. He stated that in his opinion this in effect undermined the constitutional order of Yugoslavia which, he declared, continued to exist and was internationally recognized. Subsequently, on 22 October, the same Vice-President circulated within the Conference on Yugoslavia a paper entitled "Points of Departure for Resolving the State Political Crisis in Yugoslavia", the contents of which were consistent with the views that he had expressed in The Hague on 18 October. He and his three colleagues later declined an invitation to attend the seventh plenary meeting of the Conference on Yugoslavia, which was held at The Hague on 25 October 1991.

24. On 25 October, the Chairman of the Conference on Yugoslavia circulated a further paper entitled "Treaty Provisions for the Convention" (annex VII), which was based on his earlier draft paper of 18 October.

25. The conversations that Mr. Vance had in Yugoslavia in the days preceding 18 October 1991, focused - in their political aspect - on the issues treated in Minister van den Broek's statement of 4 October and in the draft paper put forward in the Conference on Yugoslavia by its Chairman on 18 October.

26. The breakdown in the federal consensus in Yugoslavia has accelerated over the past year. This has taken place in an atmosphere of increasing bitterness which has resulted in an escalating level of violence. The breakdown has been reflected fully in the controversy over the modus operandi of the post-3 October Presidency. It has also been marked by the unilateral declarations of independence on the part of Croatia and Slovenia on 25 June 1991, following earlier popular referenda in those republics; by the referendum held in the Republic of Macedonia on 8 September 1991, which resulted in a substantial vote in favour of independence; and by the vote that took place in the Assembly of the Republic of Bosnia-Hercegovina on 15 October 1991 proclaiming the sovereignty of that republic - a decision that brought a walk-out by the Serbian members of the Assembly and a move by members of the Serbian community in that republic to affirm their separateness. These latter have in recent days taken concrete steps in that direction. The above moves on the part of four of the Yugoslav republics have met with the strong disapproval of the Republic of Serbia, which has expressed grave concern over the fate of some 600,000 Serbs resident in Croatia. As a result, the delineation of the border between the Republic of Serbia and the Republic of Croatia and of border areas of the Republic of Bosnia-Hercegovina, have been questioned in particular by Serbs resident in Croatia and Bosnia-Hercegovina. This in turn has given rise to widespread apprehension in a country, and indeed in a region, where political boundaries rarely coincide precisely with demographic distribution.

27. From comments made directly to him at the highest levels during his mission to Yugoslavia, Mr. Vance concluded that the structure or relationship termed a "loose association or alliance", which is formulated in

Minister van den Broek's statement of 4 October and which is taken up in the draft paper circulated by Lord Carrington in The Hague Conference on 18 October, would in general terms, and subject to further discussion, be acceptable to the Presidents of five of the six Yugoslav republics. The President of the Republic of Serbia, however, told Mr. Vance that he viewed this formulation as one option among several, none of which had been agreed. He said that he could perhaps agree to that particular option, but only provided that the rights of Serbs living in Croatia, and particularly in the areas known as southern Krajina and eastern Slavonia, were assured, through the granting to them, and to the areas where they were living, of an internationally guaranteed and monitored special status. In the view of the President of the Republic of Serbia, that special status would embrace in particular special judicial arrangements, special police arrangements and special provisions in regard to education and cultural affairs, as well as complete demilitarization. He envisaged furthermore that the relationship between the Serbs resident in those areas of Croatia and the Republic of Croatia should be identical to the relationship between the Republic of Croatia and Yugoslavia. For its part, the government of Croatia has expressed itself prepared to grant to all persons residing in that republic every right that has been incorporated in international conventions, and to do so under international monitoring. Mr. Vance indicated to all of his interlocutors that human rights were indivisible, that they should apply with equal force throughout all of Yugoslavia, and that it would be philosophically and indeed politically untenable to seek one human rignts standard for one group and a different standard for other groups.

28. Mr. Vance reminded the Presidents of Croatia and Serbia that they had committed themselves to the principle of no involuntary changes of border. While the President of Serbia recalled that prior to the First World War Serbia and Montenegro were the only two sovereign States in the area - apart from the Empire of Austria-Hungary and the Ottoman Empire - and while he suggested that accordingly the boundaries of the other republics were internal boundaries, he none the less declared that his own republic had no territorial ambitions. Mr. Vance also reminded the President of Croatia of the latter's public commitment to the principle that there should be no involuntary changes to the borders of any of the six republics. In their individual meetings with him, the Presidents of the other four Yugoslav republics stated to Mr. Vance their commitment to this principle.

29. Another important subject on which there is a difference of opinion between several of the Yugoslav republics is the speed with which they would respectively wish to see international recognition accorded to the independence that they have already declared, or may declare in the future. Some republics would prefer to see such international recognition accorded simultaneously, as a package, to all republics that might have declared independence. Others rejected that view, believing that international recognition of their declared independence should be forthcoming sooner, and on an individual basis. One republic meanwhile rejected the legality of any unilateral declaration of independence and accordingly opposed any recognition thereof.

II. OBSERVATIONS

30. It is clear from the report that I have received from Mr. Vance that the situation in Yugoslavia is very serious and that it has, in many respects, deteriorated markedly since the adoption on 25 September 1991 of Security Council resolution 713 (1991). Indeed, the recent course of events, including the hardening of the positions of certain parties, gives little cause for encouragement and suggests that time is running out for an agreed settlement. This state of affairs is fraught with danger not only for Yugoslavia and its constituent republics, but also for its neighbours and for the international community more broadly. Such concerns were no doubt in part responsible for the unanimous adoption by the Council of resolution 713 (1991) in the first place. In sum, the threat to international peace and security identified by the Council in the preambular part of that resolution continues.

31. Mr. Vance has reported to me that, despite the occasional participation of the full eight-member Socialist Federal Republic of Yugoslavia Presidency at The Hague Conference, the de facto authority of the central Government in Yugoslavia has been seriously impaired since the developments of 3 October as well as by the situation on the ground. A critical result is that JNA no longer has political direction from a civilian authority that enjoys the support of all the republics and all communities of the Federation.

32. The effort to forge agreed constitutional arrangements for a future relationship between the Yugoslav republics represents a major component of the work that is being conducted by The Hague Conference on Yugoslavia. Consensus in this area has so far eluded the Yugoslav participants. The Conference will none the less maintain its efforts in that direction, under the able and persevering chairmanship of Lord Carrington, with direct collaboration from the Government of the Netherlands, representing EC and its member States, and with the continued support of the CSCE participating States, and ultimately of the Security Council. It would appear desirable for the Yugoslav parties - without prejudice to their respective positions concerning the present constitutional situation, or the relationships that will ultimately emerge between them - to endeavour urgently to put in place arrangements that would provide, on an interim basis, some agreed political direction at the minimum for certain major functions of state, including the military. Furthermore, in the final analysis, universally recognized human rights will have to be applied uniformly. By the same token, respect for the principle ruling out any involuntary changes of borders, internal or international, is imperative. Any violations of, or departures from, that principle would bring great and foreseeable risks. Wisdom and prudence are also required in connection with the seeking of recognition of unilateral declarations of independence.

33. Mr. Vance has informed me that the action of the Security Council in adopting resolution 713 (1991) was well received on all sides and that each of his interlocutors wished to see the interest of the Security Council in this matter maintained.

34. Despite the successive efforts of the States members of EC, both on the ground and at the Conference on Yugoslavia, as well as the strong urging of the Security Council, successive cease-fire agreements have not been observed. On the contrary, hostilities continue to escalate, fuelled by high emotions and deep mutual distrust among the parties. Lines of military command are sometimes not clear among the fighting forces, and even where such lines are clear, these have come under great stress. Civilians have paid, and continue to pay a high price. The parties need to accept the fact that continued killing will not resolve their problems and indeed will make their resolution more difficult. The killing must stop.

35. There is in such circumstances - absent a respected general cease-fire agreement - a clear need for objective information on the ground and for neutral verification of allegations and incidents. There is equally a need for an independent party on the ground to forge local cease-fire and other agreed arrangements, including in the humanitarian area, between the fighting forces. These and other functions are being undertaken by the EC-led Monitor Mission, which is faced with very great difficulties in terms of security, logistical back-up and manpower, as it embraces a new role for EC and its member States, as well as for the States participating in the CSCE process. In the light of the evolving situation in Bosnia-Hercegovina, the importance of the preventive role being played by the Monitor Mission in that republic cannot be overemphasized. All of the Yugoslav parties need to utilize and to cooperate fully with the good offices that are being made available to them by the EC-led Monitor Mission.

36. In view of the humanitarian situation described in paragraphs 15 to 18 of the present report, I have requested the United Nations High Commissioner for Refugees to consider lending her good offices in bringing relief to needy internally diplaced persons affected by the conflict. The High Commissioner has informed me that she is prepared to examine on an urgent basis how her Office may act in the circumstances prevailing in Yugoslavia. Any action by the High Commissioner will be undertaken in close cooperation with ICRC and would attempt to cover any group of persons in need, irrespective of location, provided, of course, that logistical and security factors would allow for such action. The involvement of UNHCR might also have a welcome preventive impact and contribute to the creation of conditions that would ultimately enable the internally and externally displaced to return to their homes. I trust that both ICRC and UNHCR, as well as other organizations seeking to bring relief to the affected civilian population, will enjoy the fullest possible support on the part of the international community and of all the parties in Yugoslavia.

37. The serious economic consequences of the crisis in Yugoslavia are mounting. Even if, as all hope, the hostilities cease in the very near future, these economic consequences will remain with all concerned for a long time to come. This represents one more imperative for a halt to the fighting and a negotiated settlement.

38. Mr. Vance heard credible assertions from many parties in Yugoslavia that the embargo on all deliveries of weapons and military equipment to Yugoslavia,

imposed by the Security Council under Chapter VII of the Charter, in paragraph 6 of resolution 713 (1991), is being violated. Given the gravity of this apparent violation of the decision of the Council, its members will no doubt wish to respond appropriately. The situation in this connection has already been the subject of discussion on the part of some members of EC.

39. Developments in Yugoslavia have already in varying measure affected neighbouring States. As noted earlier, there has been a flow, as yet relatively modest in size, of civilians affected by the hostilities from Yugoslavia into the territory of some neighbouring States. This movement of people has brought a sympathetic response on the part of the States affected. There have been allegations meanwhile of unauthorized overflights of the airspace of a neighbouring State by Yugoslav military aircraft. Furthermore, certain neighbouring States have adopted publicly their own particular perspectives concerning developments in Yugoslavia. In this connection, I trust that the States neighbouring Yugoslavia in particular will discharge the special responsibility that falls on them by virtue of their geographical and ethnic contiguity, to observe the call addressed by the Security Council to all States "to refrain from any action which might contribute to increasing tension or delaying a peaceful and negotiated outcome to the conflict in Yugoslavia, which would permit all Yugoslavs to decide upon and to construct their future in peace".

40. In its resolution 713 (1991), the Security Council invited me to offer my assistance to the process already under way, in consultation with the Government of Yugoslavia and all those promoting the efforts being pursued under the auspices of the EC member States with the backing of the CSCE States. I, and Mr. Vance as my Personal Envoy, would naturally be prepared to continue to offer such assistance. Mr. Vance so informed all concerned parties and this was welcomed on all sides.

41. The Socialist Federal Republic of Yugoslavia is a Founding Member of the United Nations. Few Member States have contributed with greater vision and effect to the work of the Organization through the years. Yugoslavia and its peoples are not surprisingly therefore held in great respect by, and have the goodwill of, the States Members of the United Nations. Because of this, the world Organization grieves all the more for the situation that has overtaken the country.

42. I am confident that the Security Council will continue to be actively seized of the matter. The need to do so has become more pressing since Mr. Vance's return. The Council may wish to assist, as well as to encourage, all parties to settle their disputes peacefully and through negotiation at the Conference on Yugoslavia, including through the mechanisms set forth within it. In this connection, the States members of EC, whose efforts have been endorsed by the CSCE participating States and indeed by the Security Council itself, have, as reflected in their statement of 6 October 1991 (S/23114), been expressing heightened concern.

Annex I

Mission to Yugoslavia

1. The Mission was led by the Personal Envoy of the Secretary-General, The Honourable Cyrus R. Vance, and comprised the following additional members:

Ambassador Herbert S. Okun,
Special Adviser to the Personal Envoy

Mr. J. Paul Kavanagh,
Senior Officer,
Executive Office of the Secretary-General

Mr. Horst Heitmann,
Political Affairs Officer,
Office for Research and Collection of Information

2. Further United Nations Secretariat staff members participating in the Mission were: Ms. Susan Dicey, Social Science Assistant, Mr. Harold Stuart, Operations Officer, and Mr. Ernesto Triana, Communications Officer.

Itinerary and schedule of the Vance mission

Friday, 11 October 1991

2130 Departure from New York.

Saturday, 12 October 1991

0930 Arrival at Geneva.

1100 Departure from Geneva.

1310 Arrival at Belgrade.

1730 Meeting with Mr. Budimir Loncar, Federal Secretary for Foreign Affairs of the Socialist Federal Republic of Yugoslavia, and other senior aides of the Foreign Ministry, concluded by a tête-à-tête of Mr. Vance with Foreign Secretary Loncar.

2000 Working dinner with Mr. Loncar and senior Ministry officials.

Sunday, 13 October 1991

0830 Meeting with Federal Prime Minister Ante Markovic, concluded by a tête-à-tête of Mr. Vance with the Prime Minister.

1000 Meeting with Mr. Slobodan Milosevic, President of the Republic of Serbia, concluded by a tête-à-tête of Mr. Vance with the President.

1200 Meeting with General Veljko Kadijevic, Federal Secretary for National Defence, and General Blagoje Adzic, Chief of Staff.

1500 Departure from Belgrade.

1730 Arrival at The Hague.

2000 Working dinner at The Hague with Mr. Hans van den Broek, Foreign Minister of the Kingdom of the Netherlands and currently President of the Council of Ministers of the European Community (EC), with Ambassador Henry Wijnaendts, Coordinator of The Hague Peace Conference, and other senior officals of the Foreign Ministry of the Netherlands.

Monday, 14 October 1991

0920 Meeting with Lord Carrington, Chairman of the Conference on Yugoslavia, Foreign Minister van den Broek, and senior officials of the Conference in preparation of the fifth plenary meeting of the Conference on Yugoslavia at The Hague, at the level of Foreign Minister.

1030 Attendance at the fifth plenary meeting.

1315 Working luncheon with heads of delegations from the Yugoslav Republics and the federal Government.

1430 Participation of Mr. Vance at the signature ceremony of the renewal of the monitoring agreement.

1440 Participation of Mr. Vance in Lord Carrington's press conference, followed by private meetings with Lord Carrington, with Federal Secretary Loncar, and with Foreign Minister Rupel of Slovenia.

1630 Departure from The Hague.

1720 Arrival at Bonn.

1800 Meeting with Vice-Chancellor and Foreign Minister Hans-Dietrich Genscher of Germany, currently Chairman of the CSCE Council of Ministers for Foreign Affairs.

2000 Private dinner of Mr. Vance with Mr. Genscher.

Tuesday, 15 October 1991

0810 Departure from Bonn/Köln.

1030 Arrival at Skopje, capital of the Republic of Macedonia.

1100 Meeting with Mr. Kiro Gligorov, President of Macedonia, Prime Minister Nikola Kljusev and other senior aides.

1200 Tête-à-tête of Mr. Vance with the Macedonian member of the Federal Presidency, Mr. Vasil Tupurkovski.

1320 Departure from Skopje.

1400 Arrival at Titograd, capital of the Republic of Montenegro.

1415 Meeting with Prime Minister Milo Dukanovic of Montenegro.

1530 Meeting with Mr. Momir Bulatovic, President of Montenegro, and Mr. Branko Kostic, Montenegrin member of the Federal Presidency and Vice-President of the Presidency.

1615 Departure from Titograd.

1645 Arrival at Sarajevo, capital of Bosnia-Hercegovina.

1700 Tête-à-tête of Mr. Vance with President Alija Izetbegovic of Bosnia-Hercegovina. Parallel meeting of mission members with Mr. Haris Silajdzic, Foreign Minister of Bosnia-Hercegovina.

1815 Meeting with Mr. Bogic Bogicevic, member of the Federal Presidency, and Mr. Jure Pelivan, Prime Minister of Bosnia-Hercegovina.

2000 Departure from Sarajevo.

2030 Arrival at Belgrade.

2045 Meeting with Mr. Jugoslav Kostic, member of the Federal Presidency from the Vojvodina Autonomous Province.

2155 Meeting with Sejdo Bajramovic, member of the Federal Presidency from the Kosovo Autonomous Province.

Wednesday, 16 October 1991

0830 Departure from Belgrade.

0935 Arrival at Klagenfurt, Austria.

1055 Arrival at Ljubljana.

1100 Meeting at Ljubljana with Mr. Janez Drnovsek, member of the Federal Presidency from Slovenia and his senior aides.

1200 Meeting with Mr. Milan Kucan, President of Slovenia.

1240 Prime Minister Peterle and Foreign Minister Rupel joined the meeting with President Kucan.

1400 Working luncheon with President Kucan, Prime Minister Peterle, Foreign Minister Rupel, Mr. Drnovsek, and other Slovenian officials.

1530 Departure from Ljubljana.

1800 Arrival at Belgrade.

1930 Meeting with General Kadijevic.

2115 Meeting with Federal Prime Minister Markovic.

Thursday, 17 October 1991

0745 Departure from Belgrade.

0905 Arrival at Graz, Austria.

1040 Arrival at Zagreb.

1045 Meeting at Zagreb with the Head of the EC Monitoring Mission, Ambassador D. J. van Houten, and his staff.

1200 Meeting with Mr. Franjo Tudjman, President of Croatia, Foreign Minister Dr. Zvonimir Separovic, Dr. Hrvoje Kacic, Dr. Marionobic and other members of the Croatian Government, concluded by a tête-à-tête of Mr. Vance with the President.

1330 Working luncheon with President Tudjman, Foreign Minister Separovic, and other senior Croatian officials.

1430 Meeting of one member of the Mission with representatives of ICRC in Croatia and Slovenia.

1445 Meeting with Mr. Stipe Mesic, Croatian member and President of the Federal Presidency, and the Prime Minister of Croatia, Franjo Gregoric.

1630 Departure from Zagreb.

1815 Arrival at Graz.

1900 Arrival at Belgrade.

1930 Meeting with Foreign Minister Loncar.

2030 Meeting with Mr. Borisav Jovic, member of the Federal Presidency from Serbia.

2200 Meeting with representatives of UNHCR and ICRC at Belgrade.

Friday, 18 October 1991

0630 Departure from Belgrade.

0915 Arrival at The Hague.

0930 Meetings with Lord Carrington, Foreign Minister van den Broek, and other officials of the Conference on Yugoslavia.

1115 Attendance at the meeting of the eight members of the Socialist Federal Republic of Yugoslavia Federal Presidency and Presidents Tudjman and Milosevic, with the purpose of concluding a new cease-fire agreement.

1200 Attendance at the sixth plenary meeting of the Conference on Yugoslavia, with the participation of the Presidents of each of the six Yugoslav Republics as well as Federal Prime Minister Markovic and Foreign Secretary Loncar.

1330 Luncheon with heads of delegations.

1445 Attendance at resumed plenary meeting of the Conference.

1600 Adjournment of Conference.

1630 Departure from The Hague.

1830 Departure from Amsterdam.

2045 Arrival in New York City.

Annex II

Meeting held at Ministry of Foreign Affairs, The Hague, on 4 October 1991

Participants

Mr. van den Broek (Chairman)	President Tudjman
Lord Carrington	President Milosevic
Ambassador Wijnaendts	General Kadijevic
Mr. Sizeland (note taker)	(interpreters)

Statement read by His Excellency Minister van den Broek

Together with Lord Carrington I chaired a two and a quarter hour meeting with the Yugoslav parties to discuss the current situation in Yugoslavia and the prospects for a peaceful political solution to the crisis.

A twin-track approach was agreed by the participants:

1. Political

It was agreed that the involvement of all parties concerned would be necessary to formulate a political solution on the basis of the perspective of recognition of the independence of those republics wishing it, at the end of the negotiating process conducted in good faith. The recognition would be granted in the framework of a general settlement and have the following components:

(a) A loose association or alliance of sovereign or independent republics;

(b) Adequate arrangements to be made for the protection of minorities, including human rights guarantees and possibly special status for certain areas;

(c) No unilateral changes in borders.

As a first step it was agreed that representatives of the Serbian communities in Croatia and Eastern Slavonia should be invited to meet the Conference coordinator, Ambassador Wijnaendts, and the two deputy Chairmen on Tuesday, 8 October, to discuss possible future arrangements. This would be within the framework of the subcommittee established to consider the rights of minorities (two other subcommittees are considering economic cooperation and possible institutional framework respectively).

2. Situation on the ground

We noted that the cease-fire is violated by all parties. Therefore, in parallel with the steps outlined above to further the process of reaching a political solution, it was agreed that the parties concerned would seek to reduce tension and create a more favourable environment for the negotiations by:

(a) On the part of the Croatian authorities, lifting immediately the blockade of JNA garrisons and other facilities (see appendix); and

(b) On the part of JNA, relocating and regrouping its units in Croatia, with the assistance of EC monitors.

As Lord Carrington will be visiting New York next week for consultations on Yugoslavia with the United Nations Secretary-General, it was agreed that the next plenary session of the Conference should be held in the week beginning 14 October.

Appendix to the statement of Minister van den Broek
on 4 October 1991

The blockade of all Yugoslav National Army (JNA) barracks and facilities in Croatia shall be lifted. This encompasses the following measures by the competent military and civilian Croat authorities:

- Restoration of all PTT communications and other facilities, such as water, electricity and gas;

- Restoration of unhindered and free access and exit through removal of physical obstacles such as mines or blockades and of armed units;

- Such free access and exit should allow JNA military and civilian personnel and their dependants free movement, it being understood that any such movement will not be in military formation and/or with weapons, unless notified 24 hours in advance to the multinational Monitor Mission and the Croat authorities, and monitored by them;

- Supply of food and other goods of a non-offensive nature as well as medical services will thus be given unhindered access.

JNA will not conduct any military operations against Croat forces from barracks and facilities in Croatia, the blockade of which has thus been lifted.

Annex III

The collective Presidency of the Socialist Federal Republic of Yugoslavia and President Tudjman, in the presence of President Milosevic, agreed to give the following instructions to their respective forces immediately:

- Immediate and unconditional cease-fire;

- Immediate deblocking of all JNA barracks and installations in Croatia;

- Evacuation of these JNA barracks and installations which were blocked as soon as possible directed towards evacuation out of Croatia according to a time schedule to be devised in the tripartite cease-fire working group in Zagreb.

The Hague, 18 October 1991.

(Signed)

In the name and with personal agreement

/...

Annex IV

Additional information on the humanitarian situation

1. With regard to internally displaced persons, as of 1 October 1991, the total number had been estimated at 231,627, a figure that could be broken down as follows: Serbia, 59,661; Vojvodina, 44,931; Kosovo, 684; Croatia, 80,441; Bosnia-Hercegovina, 38,000; Montenegro, 2,700; Slovenia, 5,000; and Macedonia, 210. By mid-October the total number of internally displaced persons registered by the International Committee of the Red Cross (ICRC) had increased to a total of 290,000. According to the most recent estimates of ICRC, the number of internally displaced persons will probably increase to approximately 400,000 towards the end of 1991.

2. In a determined effort to meet the serious humanitarian needs of the civilian population, and especially of the displaced persons, ICRC has opened field offices at Belgrade, Ljubljana, Osijek, Split, Zadar and Zagreb. It plans to establish further such offices at Novi Sad, Sarajevo and Pristina. To date, ICRC has been able to provide assistance to about 60,000 displaced persons through its family-parcel programme, which was initiated during the last week of September in the Republic of Serbia, on 1 October in Slovenia and on 7 October in Croatia and Vojvodina. In view of its revised estimate of the number of displaced persons expected to materialize later this year, and given the approach of winter, ICRC is planning to launch shortly a further international appeal to raise additional funds for its humanitarian activities in Yugoslavia.

3. ICRC delegates at Belgrade and Zagreb informed Mr. Vance that the lack of respect on all sides for the emblem of the Red Cross constituted a major security concern, and negatively affected all of ICRC's humanitarian efforts. ICRC has accordingly launched a campaign in the Yugoslav media in order to enlighten the public as to the strictly impartial and humanitarian character of ICRC and its activities.

4. Activities on the part of the United Nations High Commissioner for Refugees are dealt with in paragraphs 17 and 35 of the present report.

5. There have in the past been relatively few activities undertaken in Yugoslavia by international non-governmental organizations (NGOs). Because of this, private humanitarian organizations are generally not in a position to benefit from any existing infrastructure supporting such NGO efforts. A small number of NGOs are none the less deploying great efforts on the ground.

Annex V

Note on economic difficulties being experienced by Yugoslavia

1. Many of Mr. Vance's interlocutors in Yugoslavia, beginning with the Federal Prime Minister, expressed serious concern about the rapidly deteriorating state of the country's economy. Their concern was compounded by the fact that the economic decline seemed to have been almost totally eclipsed in the public and official mind by the constitutional and political difficulties, as well as by the ongoing hostilities within the country. The following note attempts to sketch the economic aspect of the difficulties besetting the country at present.

Overview

2. The economy of Yugoslavia is in risk of disintegration. This is partly as a result of the country's political crisis and partly owing to its failure adequately to tackle deep-seated structural problems. Fiscal policy has collapsed in the light of the unwillingness on the part of the governments of the constituent republics to continue providing revenues to the federal Government. Moreover, there is no effective monetary restraint. In this environment, inflation is soaring and the economy is spiralling downward. Industrial production for the remainder of 1991 may run at only half the level of 1990. The agriculture and service branches of the economy, and the foreign exchange earning export sector, are all under comparable strain. If the central Government was making modest headway before the outbreak of hostilities in addressing such fundamental structural weaknesses as enterprise ownership and bank solvency, its attention has in recent times been almost totally distracted from such pressing weaknesses by the onrush of more immediate problems.

3. The current hostilities and attendant chaos in the economy of Yugoslavia have accelerated the deterioration of the country's financial system. Efforts to rehabilitate the banking system have been hampered, throughout 1991, by the breakdown in the coordination of policy between the authorities of various republics. Following their declarations of independence on 25 June 1991, the Republics of Croatia and Slovenia have been effectively isolated from the rest of the country's financial system. The National Bank of Yugoslavia has suspended all transactions with the national banks of these two republics. As a result, cheques drawn on banks in Croatia and Slovenia are reportedly no longer honoured in the rest of the country. In mid-August, the national banks of Croatia and Slovenia devalued the Yugoslav currency, the dinar, independently of the National Bank of Yugoslavia. In October, Slovenia introduced its own currency, the tolar, a move that has further contributed to financial uncertainties and fears of increased inflation.

4. The present hostilities have brought with them further consequences for the financial system. For example, foreign exchange earned in international trade is now kept outside the country to the extent possible. As a result,

revenues from exports do not find their way into the country's foreign exchange reserves. Receipts from tourism and remittances from workers living abroad have also collapsed, as confidence in the country's currency continues to erode. Imports have been curtailed by the lack of foreign exchange and exports too are beginning to decline. Disruptions to transport and communication lines further hinder efforts to trade. The balance of current account, which had been in surplus until last year, threatens to worsen substantially 1991, giving rise to concern as to the country's continued ability to honour its international obligations in the absence of a rescheduling.

Earlier negative trends

5. Despite its many achievements, Yugoslavia's economy has always been marked by regional inequalities. In 1989, for example, the social product per capita in Slovenia was more than twice that in Serbia, while in Croatia it was more than one third higher. In the other three republics - Bosnia-Hercegovina, Montenegro and Macedonia - the social product per capita averaged almost one quarter less than the level in Serbia. These disparities, which reflect marked imbalances in levels of industrialization and development, have indeed been seen as a contributing factor to the tensions that, since the 1970s, have placed under increasing pressure the authority of the federal government in economic matters.

6. Economic growth in the 1960s and 1970s was quite rapid, but the drawbacks of administered pricing and conflicts over planning and investment made for an inefficient use of resources. An increase in foreign borrowing followed. In the 1980s, growth slowed and eventually declined; throughout the 1980s, unemployment was about 15-20 per cent and inflation was close to 100 per cent per year. Economic stagnation and frustration inevitably exacerbated political tensions.

7. Attempts to reform the economic system foundered on resistance to political change and regional tensions. In December 1989, when inflation was running at an annual rate of about 2,500 per cent, the federal Government announced an integrated economic reform programme, including constitutional change. The programme, however, was not fully agreed upon.

8. In the first half of 1990, a stabilization programme, which was supported by the International Monetary Fund (IMF), brought to an end the high rates of inflation and also raised exports by checking the growth in money supply and the extension of credit, by freezing wages, and by introducing currency convertibility. Deregulation resulted in a significant rise in private sector enterprise. The programme then unravelled, for a number of apparent reasons:

(a) The tightening in monetary policy led to a contraction in economic activity which was exacerbated by the Persian Gulf crisis, by a slowdown in growth in Western Europe, and by a fall in workers' remittances. Moreover,

exports to the Soviet Union and to other Council for Mutual Economic Assistance (CMEA) countries fell sharply under the impact of the payments disorder in those countries;

(b) To offset the decline in economic activity, the federal authorities began to ease monetary policy and to relax spending limits. The wage freeze was also lifted. These measures put upward pressure on prices, leading to the overvaluation of the pegged exchange rate and a surge in imports. A decline in confidence in the dinar, fueled by fears of devaluation, led to a large outflow of the country's international reserves;

(c) There was a fundamental disagreement about the very principles of the reform, such as the role of markets and the functions of public enterprise, the private sector, and the banks; federal laws on privatization were contested at the republican level.

9. The troubles besetting the programme were acknowledged by the devaluation of the dinar by almost 29 per cent by the end of 1990. In early 1991, constitutional changes were sought to assure a programme during continued negotiations. The dinar was again devalued by about 44 per cent. Unilateral republican measures deprived the federal budget of contributions from the republics. Foreign exchange markets ceased to function except for the financing of essential imports; private foreign currency accounts were blocked; and export earnings were retained abroad to the extent possible.

10. By mid-1991, the search for consensus on reform within Yugoslavia had run into deep trouble: the debate revolved increasingly around the far-reaching bids for political and economic autonomy, and subsequently independence by Croatia and Slovenia, opposed by the more centrist position taken by Serbia, with measures of support from Montenegro and Bosnia-Hercegovina.

11. The economic situation before the outbreak of hostilities was therefore in many respects untenable. Already in 1990, the gross domestic product (GDP) had declined by about 7 per cent and industrial production by more than 10 per cent. Further declines were expected in 1991. Virtually the only bright spot was that exports to Organisation for Economic Cooperation and Development (OECD) countries were holding up in early 1991.

Effect of the hostilities

12. The outbreak of shooting hostilities and their rapid escalation has resulted in further disruption to the economy on a very large scale. Industrial production took a sharp drop in July and August 1991 and by the end of the year it may be running at only half the level of 1990. The economy is in a downward spiral from which there would appear to be no reprieve until hostilities cease and political stability is restored.

13. Tourism had previously accounted for some 25-30 per cent of the country's foreign exchange earnings and for 5 per cent of GDP. It dropped precipitously in the first half of 1991, and with the outbreak of violence, it came to a

complete halt. Exports to OECD countries, which had held up before the crisis, seem to have contracted sharply, although it is too early to say by how much.

14. The printing of money to meet war expenditures has proceeded largely unchecked. Black market exchange rates in October 1991 have soared to 3.5 times the official rates of October 1991. Barter trade is reappearing, especially in transactions with the Soviet Union. The economic moves by Slovenia and Croatia in exercise of their declared independence have led to reprisals: the Yugoslav National Bank has suspended approvals for new foreign loans by the national banks of those republics and, in addition, the obligation of the latter are not honoured by banks in the other republics. Slovenia's recent decision to issue its own currency owed to a demand for an immediate return of federal currency.

15. By the end of 1991 as many as 400,000 displaced persons may have left their homes in the areas affected by hostilities. At the same time, it is not yet possible to assess in every detail the magnitude of the damage to the country's infrastructure for transport, telecommunications and the like. Nor is it possible to estimate precisely the costs stemming from the disruption to economic activity and the uncertainties as to the future prospects for the country. These are none the less certain to be substantial.

Annex VI

Arrangements for a general settlement

I. GENERAL

1.1 The arrangements for a general settlement of the Yugoslav crisis will comprise the following components:

(a) Sovereign and independent republics with international personality for those that wish it;

(b) A free association of the republics with an international personality as envisaged in these arrangements;

(c) Comprehensive arrangements, including supervisory mechanisms for the protection of human rights and special status for certain groups and areas;

(d) European involvement, where appropriate;

(e) In the framework of a general settlement, recognition of the independence, within the existing borders, unless otherwise agreed, of those republics wishing it.

1.2 The republics recognize that cooperation between them and the creation of this association is part of the process of building a new Europe envisaged in the Paris Charter of November 1990, and will improve the prospects for cooperation and closer relations with the European Community.

They will cooperate in the fields for which these arrangements provide and other agreed fields, without thereby precluding closer forms of cooperation in such areas between republics that so wish.

II. HUMAN RIGHTS AND RIGHTS OF ETHNIC AND NATIONAL GROUPS

A. Human rights

2.1 The republics will remain committed to the fundamental principles of human rights. These are embodied, in particular, in the following:

- The Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights of the United Nations;

- The Final Act of the Conference on Security and Cooperation in Europe, the Charter of Paris for a New Europe and the other Conference on Security and Cooperation in Europe (CSCE) documents relating to the human dimension, in particular the document of the Copenhagen Meeting of the Conference of the

Human Dimension of CSCE and the document of the Moscow meeting of the Conference on the Human Dimension of CSCE;

- The Council of Europe Convention for the Protection of Human Rights and Fundamental Freedoms and the Protocols to this Convention.

B. Rights of national and ethnic groups

2.2 The republics reaffirm their commitment to the principles of human rights as particularly applied to national or ethnic groups. These are, in particular, embodied in:

- The instruments of the United Nations, CSCE and the Council of Europe as set out in paragraph 1;

- The Conventions for the Elimination of Racial Discrimination, the Convention against Genocide and the Convention on the Rights of the Child of the United Nations;

- The report of the CSCE meeting of experts on national minorities held at Geneva.

In working out these arrangements for a general settlement they will keep in mind:

- Proposals for a United Nations declaration of the rights of persons of national ethnic and linguistic minorities;

- The proposal for a convention for the protection of minorities of the European Commission for democracy and law in the framework of the Council of Europe.

2.3 Persons belonging to a national or ethnic group, not forming a majority in the area where they live, will enjoy the following rights:

- The principle of non-discrimination as set out in the legal instruments mentioned in paragraph 2.1;

- All cultural rights as set out in the legal instruments mentioned in paragraph 2.2, in particular the right to identity, culture, religion, use of language and alphabet both in public and private, and education;

- Protection of equal participation in public affairs such as the exercise of political and economic freedoms, in the social sphere, in access to the media and in the field of education and cultural affairs generally;

- The right to decide to which national or ethnic group he or she wishes to belong, and to exercise any rights pertaining to this choice as an individual or in association with others. This will particularly apply in the

case of marriage between persons of different national or ethnic groups. Those persons of the same national or ethnic group living distant from others of the same origin, for example in isolated villages, shall be granted a practicable degree of self-administration.

The above principles shall also apply in areas where members of the main national or ethnic group of a republic are numerically inferior to one or more other national or ethnic groups in that area.

2.4 In respect of persons belonging to a national or ethnic group forming a substantial part of the population in the area where they live but not forming a majority: in addition to the principles set out in paragraph 2.3, a general right of participation of members of this group in public affairs must be granted. On the level of central government, they must be able to participate in decision-making by the central government concerning their affairs.

C. Special status

2.5 In addition, areas in which persons belonging to a national or ethnic group form a majority, will enjoy a special status (autonomy).

Such status will provide for:

(a) The right to have and show the national emblems of that group;

(b) The right to a second nationality for members of that group in addition to the nationality of the republic;

(c) An educational system which respects the values and needs of that group;

(d) (i) A legislative body,

(ii) An administrative structure, including a regional police force,

(iii) And a judiciary

responsible for matters concerning the area which reflects the composition of the population of the area;

(e) Provisions for appropriate international monitoring.

The status set out above will apply, in particular, to the Serbs living in areas in Croatia where they form a majority.

D. General provisions

2.6 It is recognized that persons belonging to a national or ethnic group, in exercising their rights, must respect the rights of the majority and of persons belonging to other groups.

2.7 Without prejudice to the implementation of the arrangements set forth in paragraph 2.5, the republics will apply fully and in good faith established provisions for the benefit of ethnic and national groups, and for autonomous provinces which were given a special constitutional status.

2.8 The republics should jointly, or individually as the case may be, become parties to international instruments in the field of human rights, including related complaint procedures. They will moreover give effect to the principles set out in paragraphs 2.1 and 2.2 in their respective legislation.

2.9 The republics will provide, by legislation and through national institutions, an effective remedy for breaches of any of the arrangements concerning human rights set out above.

2.10 As none of the republics will have an ethnically homogeneous population, they will cooperate and consult one another in respect of matters dealt with in paragraphs 2.3 to 2.5.

III. OTHER AREAS OF COOPERATION

A. Economic relations

3.1 The republics recognize their interest in establishing appropriate measures for economic cooperation among themselves.

3.2 The republics will base their policies on the principles of market economy, private property and free enterprise, and openness to world trade.

3.3 The republics will form a customs union preserving a common internal market, where goods move without either tariff barriers or quantitative restrictions. The common internal market will involve a common external tariff, a common foreign trade policy and an agreed formula for sharing customs receipts.

3.4 Freedom of movement will also apply to some services, such as those offered by the professions for which a right of establishment is recognized.

3.5 In addition, the republics will cooperate to limit the adverse effects of other obstacles impeding the free movement of goods, such as technical standards, subsidies and regulations affecting trade, by taking flanking measures, such as sharing information, concerting policy objectives and, if necessary, harmonizing rules and regulations which distort competition.

3.6 As a start to this process, the republics will take flanking measures in certain designated policy areas, such as:

- Transport and infrastructure;

- Competition.

3.7 They will also cooperate in taking measures for the protection of the environment.

3.8 Furthermore the republics will cooperate in monetary matters. As a minimum, in the absence of a common currency and currency convertibility, they will consider the establishment of a common payments system, based upon a clearing mechanism for their transactions and a reserve fund.

B. Foreign affairs and security

4.1 The republics will consult on all matters of common interest in the areas of foreign affairs and security, and will cooperate where they can agree on common positions, with the possibility of common representation in specific areas agreed between them.

4.2 Relations between the republics, individually or jointly, will be based on CSCE commitments. They may decide to apply between themselves the practices and procedures agreed in CSCE, among others, notification of unusual military activities.

4.3 The republics will decide for themselves what armed forces to have or allow on their territory and what cooperative defence arrangements to have among themselves.

C. Legal cooperation

5. The republics will consult and cooperate in the field of legal cooperation, such as control of international crime, terrorism and drug trafficking, in accordance with European and international standards, such as those developed in the Council of Europe and the United Nations, and, will seek, individually or jointly, to become parties to international conventions in these matters.

IV. INSTITUTIONS

6. The republics will establish the following institutional arrangements to effect the above-mentioned cooperation. They may add other arrangements to the extent that they agree to further cooperation in those or other fields.

A. Human rights

7.1 The republics will establish a Court for Human Rights having jurisdiction within the republics to consider appeals from courts in the republics involving questions dealt with in paragraphs 2.1 to 2.5 above. This Court will include members from all the republics.

7.2 The republics will consider the establishment of mixed commissions, where these might assist in avoiding or dealing with disputes concerning human rights and the rights of ethnic or national groups and questions related to special status.

7.3 The institutions mentioned in paragraphs 7.1 and 7.2 above will include the participation of persons drawn from European States other than the republics.

B. Economic relations

8.1 The republics will establish a Council of Ministers for Economic Cooperation, composed of Ministers, one from each republic. The Council will take decisions by consensus except where otherwise agreed. The Presidency of the Council will be taken by Ministers rotating every six months. The Council will meet every month or otherwise as agreed.

8.2 Meetings of the Council will be prepared by a Committee of Senior Officials from each republic, meeting weekly. Specialized standing committees to prepare proposals to the Council will be established.

8.3 An Executive Committee, headed by a Secretary General appointed for four years and assisted by a permanent secretariat, will make recommendations, monitor decisions and service meetings.

8.4 In external relations on matters covered by agreed arrangements or policies in the internal market, customs union or economic and monetary cooperation, the Council will, where necessary, agree on common positions for the conduct of negotiations with third countries including the making of international agreements. In such negotiations it will decide whether to be represented by the Presidency or the Secretary General of the Executive Committee.

C. Political and security

9.1 The republics will establish a Council for Political and Security Cooperation composed of Foreign Ministers for the purpose of cooperation as envisaged in paragraphs 4.1 to 4.3. It will meet monthly unless otherwise agreed. It will have a six-monthly rotating presidency.

9.2 When agreement on a common approach can be reached by all or some republics, those republics will be guided by it.

9.3 When common positions can be reached by consensus, a decision can be taken whether to invite the President of one of the republics to speak or act for the association.

9.4 The Council may discuss any security matters raised by any republic. The Council may decide by consensus on defence cooperation.

9.5 Meetings of the Council will be prepared by senior officials from foreign ministries.

D. Legal cooperation

10. Ministers will meet every six months under arrangements to be made by the republics in rotation to discuss matters in the field of legal cooperation envisaged above.

E. Parliamentary body

11. The republics will consider the establishment of a parliamentary body to discuss matters arising out of these arrangements.

F. Arbitration

12. Any dispute between republics concerning the implementation or application of legal instruments giving effect to these arrangements will be subject to binding arbitration initiated at the request of any republic which considers that another republic is in breach of any of its obligations.

G. Location of institutions

13. The institutions envisaged above will be located in different republics.

Annex VII

Treaty provisions for the Convention

CHAPTER I

I. GENERAL

Article 1

1. The new relations between the republics will be based on the following:

(a) Sovereign and independent republics with an international personality for those that wish it;

(b) A free association of the republics with an international personality as envisaged in this Convention;

(c) Comprehensive arrangements, including supervisory mechanisms for the protection of human rights and special status for certain groups and areas;

(d) European involvement, where appropriate;

(e) In the framework of a general settlement, recognition of the independence, within the existing borders, unless otherwise agreed, of those republics wishing it.

2. The republics recognize that cooperation between them and the creation of this association is part of the process of building a new Europe envisaged in the Paris Charter of November 1990, and will improve the prospects for cooperation and closer relations with the European Community. They will cooperate in the fields for which these arrangements provide and other agreed fields, without thereby precluding closer forms of cooperation in such areas between republics that so wish.

CHAPTER II

HUMAN RIGHTS AND RIGHTS OF ETHNIC AND NATIONAL GROUPS

Article 2

A. Human rights

1. The Republics guarantee the following human rights:

(a) The right to life;

(b) The right not to be subjected to torture or to inhuman or degrading treatment;

(c) The right not to be subjected to slavery or compulsory labour;

(d) The right to liberty;

(e) The right to a fair and public hearing by an impartial tribunal and not to be subject to retrospective criminal proceedings;

(f) The right to respect for private and family life, the home and correspondence;

(g) The right to freedom of thought, conscience and religion;

(h) The right to freedom of expression;

(i) The right of freedom of peaceful assembly and freedom of association;

(j) The right to marry and form a family; and

(k) All the other rights envisaged in the instruments listed below,

subject only to the exceptions and restrictions set out in those instruments, and without discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.

The instruments referred to above are:

- The Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights of the United Nations;

- The Final Act of the Conference on Security and Cooperation in Europe, the Charter of Paris for a New Europe and the other CSCE documents relating to the human dimension, in particular the document of the Copenhagen Meeting of the Conference on the Human Dimension of the CSCE and the document of the Moscow meeting of the Conference on the Human Dimension of the CSCE;

- The Council of Europe Convention for the Protection of Human Rights and Fundamental Freedoms and the Protocols to that Convention.

B. Rights of members of national and ethnic groups

2. The republics guarantee human rights as applied to national or ethnic groups, in particular, and embodied in:

- The instruments of the United Nations, CSCE and the Council of Europe referred to in paragraph 1 of this article;

- The Convention on the Elimination of Racial Discrimination, the Convention on the Prevention and Punishment of the Crime of Genocide and the Convention on the Rights of the Child of the United Nations;

- The report of the CSCE meeting of experts on national minorities held at Geneva.

In giving effect to this Convention, they shall also take appropriate account of:

- Proposals for a United Nations declaration of the rights of persons of national, ethnic and linguistic minorities;

- The proposal for a convention for the protection of minorities of the European commission for democracy and law in the framework of the Council of Europe.

3. The republics shall guarantee to persons belonging to a national or ethnic group, not forming a majority in the area where they live, the following rights:

- The principle of non-discrimination as set out in the legal instruments mentioned in paragraph 2 of this article;

- All cultural rights as set out in the instruments mentioned in paragraph 2 of this article, in particular the right to identity, culture, religion, use of language and alphabet both in public and private, and education;

- Protection of equal participation in public affairs such as the exercise of political and economic freedoms, in the social sphere, in access to the media and in the field of education and cultural affairs generally;

- The right to decide to which national or ethnic group he or she wishes to belong, and to exercise any rights pertaining to this choice as an individual or in association with others. This will particularly apply in the case of marriage between persons of different national or ethnic groups. Those persons of the same national or ethnic group living distant from others of the same origin, for example, in isolated villages, shall be granted self-administration, to the extent that it is practicable.

The above principles shall also apply in areas where members of the main national or ethnic group of a republic are numerically inferior to one or more other national or ethnic groups in that area.

4. The republics shall guarantee to persons belonging to a national or ethnic group forming a substantial part of the population in the area where they live but not forming a majority, in addition to the rights set out in paragraph 3 of this article, a general right of participation of members of this group in public affairs. On the level of the government of the republic,

they must be able to participate in decision-making by the central government concerning their affairs.

C. Special status

5. In addition, areas in which persons belonging to a national or ethnic group form a majority, shall enjoy a special status of autonomy.

Such a status will provide for:

(a) The right to have and show the national emblems of that group;

(b) The right to a second nationality for members of that group in addition to the nationality of the republic;

(c) An educational system which respects the values and needs of that group;

(d) (i) A legislative body,

(ii) An administrative structure, including a regional police force,

(iii) And a judiciary

responsible for matters concerning the area, which reflects the composition of the population of the area;

(e) Provisions for appropriate international monitoring.

These areas are listed in annex ...

5A Such areas, unless they are defined in part by an international frontier with a State not party to this Convention, shall be permanently demilitarized and no military forces, exercises or activities on land or in the air shall be permitted in those areas.

5B (a) The republics shall provide for international monitoring of the implementation of the special status of autonomy. To this end, they shall conclude agreements which would provide for a permanent international body to monitor implementation of this paragraph.

(b) The monitoring missions thus established shall:

- Report to the republics in question as well as to the other parties to the agreement, and

- As appropriate formulate recommendations on the implementation of the special status.

(c) The republics shall give effect to such recommendations through legislation or otherwise. In case of dispute, the Court of Human Rights shall be requested to give its decision.

6. Without prejudice to the implementation of the arrangements set forth in this paragraph, the republics shall apply fully and in good faith the provisions existing prior to 1990 for autonomous provinces.

D. General provisions

7. Persons belonging to a national or ethnic group, in exercising their rights, respect the rights of the majority and of persons belonging to other groups.

8. The republics should jointly or individually as the case may be, become parties to international instruments in the field of human rights, including related complaint procedures.

9. The republics shall provide, by legislation and through national institutions, in respect of the rights referred to in this article, full implementation of the rights and an effective remedy for breaches of any of those rights.

10. As none of the republics will have an ethnically homogeneous population, they shall cooperate and consult one another directly or through a mixed commission in respect of matters dealt with in paragraphs 3 to 5 of this article.

CHAPTER III

OTHER AREAS OF COOPERATION

Article 3

A. Economic relations

1. The republics recognize their interest in establishing appropriate measures for economic cooperation among themselves.

2. The republics shall base their policies on the principles of market economy, private property and free enterprise, and openness to world trade.

3. The republics hereby establish between themselves a customs union, in order to maintain a common internal market, within which goods shall move without either tariff barriers or quantitative restrictions. The customs union shall have a common external tariff, a common external trade policy and arrangements for sharing customs receipts. Subject to any decision by the Council of Ministers for Economic Cooperation (in this part A referred to as

"the Council") the common external tariff shall be that applied for imports into Yugoslavia at 1 July 1991, and the external trade policy shall include the continued implementation of external regimes and external agreements as applied by Yugoslavia at 1 July 1991. Customs receipt shall be shared in accordance with the provisions of annex ...

4. The republics shall cooperate through the Council to limit the adverse effects of other obstacles impeding the free movement of goods, such as technical standards, subsidies and regulations affecting trade, by taking flanking measures, such as sharing information, concerting policy objectives and, if necessary, harmonizing rules and regulations which distort competition.

5. The republics shall cooperate and, subject to any decision of the Council or the Council for Transport, shall maintain existing arrangements, in the fields of transport and infrastructure. The Council shall take measures to maintain competition, especially for the protection of the common internal market, and the freedom to supply services.

6. Rights of establishment and freedom to provide services shall be maintained in particular for the professions, where they exist at present.

7. The republics shall cooperate, through the Council for the Environment, for the protection of the environment.

8. The republics shall cooperate in monetary matters with a view to maintaining or achieving monetary stability and the highest possible degree of currency convertibility. As a minimum, in the absence of a common currency and currency convertibility, they shall consider, for their mutual transactions, the establishment of a common payments system, based upon a clearing mechanism and a reserve fund.

9. This article shall be reviewed by the republics at the end of a period of five years from the entry into force of this Convention.

Article 4

B. Foreign affairs and security

1. The republics shall consult on all matters of common interest in the areas of foreign affairs and security, and shall cooperate where they can agree on common positions, including the possibility of common representation in specific areas agreed between them.

2. Relations between the republics, individually or jointly, shall be based on CSCE commitments. They may decide to apply between themselves the practices and procedures agreed in the CSCE, among others.

3. The republics shall decide for themselves what armed forces to have or allow on their territory and what cooperative defence arrangements to have among themselves.

Article 5

C. Legal cooperation

1. The republics shall consult and cooperate in the field of legal cooperation, such as control of international crime, terrorism and drug trafficking, in accordance with European and international standards, such as those developed in the Council of Europe and the United Nations, and shall seek, individually or jointly, to become parties to international conventions in these matters.

2. In the field of international crime, terrorism and drug trafficking, the law enforcement authorities of the republics, including the police forces shall estabish and maintain close links and cooperation with a view to the effective prevention and punishment of these crimes.

CHAPTER IV

INSTITUTIONS

Article 6

The Republics establish hereby the institutions for which this chapter provides in order to give effect to their cooperation under this Convention. They may establish additional institutions to the extent that they agree to further cooperation in these or other fields.

Article 7

A. Human rights

1. A Court of Human Rights is established by this Convention. It shall have jurisdiction within the republics to consider appeals from courts in the republics involving questions dealt with in articles 2.1 to 2.5 of this Convention. The Court shall include members from all the republics. The Statute of the Court is set set out in annex ...

2. Mixed commissions shall be established under this Convention by any republic that jointly decides to do so, for the purpose of making recommendations or taking decisions on matters entrusted to them by the republics concerned, where such mixed commissions might assist in avoiding or dealing with disputes concerning human rights and the rights of ethnic or national groups and areas having special status. Subject to the decision by which they are established, annex ... shall apply to the mixed commissions.

3. The Court of Human Rights and, if the decision establishing them so provides, the Mixed Commissions for which this part provides, shall include the participation of persons drawn from European States other than the republics, and the republics hereby request the States members of the European Community to nominate distinguished jurists or other appropriately qualified persons to participate in the work of these institutions.

Article 8

B. Economic relations

1. The republics hereby establish a Council for Economic Cooperation, which shall meet every month, unless otherwise agreed.

2. Meetings of the Council shall be prepared by a Committee of Senior Officials from each republic, meeting weekly. Specialized standing committees will be established to prepare proposals to the Council.

3. An Executive Committee, headed by a Secretary General appointed for four years and assisted by a permanent secretariat, shall make recommendations, monitor decisions and service meetings.

4. In external relations on matters covered by agreed arrangements or policies in the internal market, customs union or economic and monetary cooperation, the Council shall, where necessary, agree on common positions for the conduct of negotiations with third countries including the making of international agreements with States and international organizations. In such negotiations it shall decide whether to be represented by the Presidency or the Secretary General of the Executive Committee.

5. The republics hereby establish:

(a) A Council for Transport, which shall consider transport questions and which shall meet once every three months unless otherwise agreed;

(b) A Board for Transport consisting of one member and one alternate from each republic which shall be responsible, under the Council for Transport, for the proper functioning from day to day of railways, roads and other transport operations between the republics.

6. The republics hereby establish:

(a) A Council for Energy which shall consider energy questions and which shall meet once every three months, unless otherwise agreed;

(b) A Board for Energy consisting of one member and one alternate from each republic which shall be responsible, under the Council for Energy, for the proper functioning from day to day of pipelines, electricity grids and other arrangements concerning energy between the republics.

7. The republics hereby establish a Council for the Environment which shall consider questions of the environment and which shall meet once every three months unless otherwise agreed.

8. The Councils established under this article shall consist of one Minister from each republic and shall take decisions by consensus, unless otherwise agreed.

Article 9

C. Political and security cooperation

1. The republics hereby establish a Council for Political and Security Cooperation of Foreign Ministers for the purpose of the cooperation envisaged in articles 4.1 to 3. It shall take decisions by consensus. It shall meet monthly, unless otherwise agreed.

2. When agreement on a common approach can be reached by all or some republics, those republics shall be guided by it.

3. When common positions can be reached by consensus, a decision shall be taken whether to invite the President of one of the republics to speak or act for the association.

4. The Council may discuss any security matters raised by any republic. The Concil may decide by consensus on defence cooperation.

5. Meetings of the Council shall be prepared by senior officials from Foreign Ministries.

Article 10

D. Legal cooperation

1. The republics shall establish a Council for Legal Cooperation for the purpose of cooperation as envisaged in article 5. It shall take decisions by consensus. It will meet every six months, unless otherwise agreed.

2. The Council may discuss any matters raised by any republic within the specific fields expressly mentioned in article 5 and it may discuss any other topic to which it decides to extend its discussion.

3. Meetings of the Council shall be prepared by senior officials from appropriate Ministries.

Article 10A

The Presidency of the Councils for which Chapter III provides shall be held for a term of six months by each member of the Council in turn.

Article 11

E. Parliamentary body

The republics shall consider the establishment of a parliamentary body to discuss matters arising out of these arrangements.

Article 12

F. Arbitration

Any dispute between republics concerning the implementation or application of this Convention shall be subject to binding arbitration under procedures which ensure that it shall not be obstructed. Arbitration may be initiated at the request of any Republic which considers that another republic is in breach of any of its obligations. Annex ... shall apply to such arbitrations.

Article 13

G. Location of institutions

The seat of the institutions for which provision is made by this Convention shall be located in different republics.